ALVORD AND ALVORD

ATTORNEYS AT LAW 1600 K Street, NW SUITE 200

Washington, D.C.

20006-2973

RECORDATION NO. 23622

AUG 2 1 '01 10- 2 2 AM

SURFACE TRANSPORTATION BOARD

OF COUNSEL URBAN A LESTER

ELIAS C. ALVORD (1942) ELLSWORTH C. ALVORD (1964)

(202) 393-2266 FAX (202) 393-2156

August 20, 2001

Mr. Vernon A. Williams Secretary Surface Transportation Board Washington, D.C. 20423

Dear Mr. Williams:

is:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two (2) copies of a Memorandum of Security Agreement, dated as of July 20, 2001, a primary document as defined in the Board's Rules for the Recordation of Documents.

The names and addresses of the parties to the enclosed document are:

Secured Party:

Branch Banking and Trust Company

2661 Riva Road

Annapolis, Maryland, 21401`

Grantor:

Old Line Holding Company, Inc.

106 Railroad Avenue

Federalsburg, Maryland 21632

A description of the railroad equipment covered by the enclosed document

All of Grantor's rail equipment now owned or hereafter acquired, including but not limited to the specific equipment described on Exhibit A attached to the Memorandum of Security Agreement.

Mr. Vernon A. Williams August 20, 2001 Page 2

A short summary of the document to appear in the index is:

Memorandum of Security Agreement.

Also enclosed is a check in the amount of \$28.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Kindly return stamped copies of the enclosed document to the undersigned.

Very truly yours,

Robert W. Alvord

RWA/anm Enclosures

#### MEMORANDUM OF SECURITY AGREEMENT

This Memorandum of Security Agreement, made and entered into as of July 20, 2001, by and between Branch Banking and Trust Company, a North Carolina banking corporation ("BB&T") and Old Line Holding Company ("Grantor").

### WITNESSETH:

Each of the undersigned have entered into that certain Security Agreement dated July 20, 2001, by and among BB&T and Grantor (said agreement being referred to herein as the "Security Agreement"). By the Security Agreement, Grantor has granted to BB&T a security interest in all of its equipment, including railroad equipment, whether owned as of the date of the Security Agreement or thereafter acquired, including but not limited to the rail equipment described in Exhibit A hereto, in order to secure repayment of all of Grantor's obligations under the Security Agreement and to secure Grantor's performance of all of its other obligations under that agreement.

IN WITNESS WHEREOF, the parties hereto have each caused this Memorandum of Security Agreement to be executed by their respective, duly-authorized officers as of the day and year first above written.

BRANCH BANKING AND TRUST COMPANY (a North Carolina banking corporation)

Name: Hunter F. Calloway
Title: Senior Vice President

OLD LINE HOLDING COMPANY

Name: John C. Paredes

Title: President

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AUG 2 1 '01 10- 2 2 AM

SURFACE TRANSPORTATION BOARD

STATE OF MARYLAND ) SS COUNTY OF ANNE ARUNDEL )

On this 20th day of January, 2001, in Anne Arundel County, Maryland, before me personally appeared Hunter F. Calloway, to me personally known, who being by me duly sworn, says that he is the Senior Vice President of Branch Banking and Trust Company, that the foregoing instrument was signed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Cheryl P. Egan, Novary Public

[NOTARIAL SEAL]

My commission expires: August 1, 2004

STATE OF MARYLAND						
	) SS					
COUNTY OF ANNE ARUNDEL	)					

On this 20th day of July, 2001, in Anne Arundel County, Maryland, before me personally appeared John C. Paredes, to me personally known, who being by me duly sworn, says that he is the President of Old Line Holding Company, that the foregoing instrument was signed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Cheryl P. Egan, Notary Public

[NOTARIAL SEAL]

My commission expires: August 1, 2004

# OLD LINE HOLDING COMPANY INC. COVERED HOPPERS SCHEDULE AS OF MAY 15, 2001

3	OLDX 1001	19	OLDX 5100	51	OLDX 7101	79	OLDX 7151	-	OLDX 81001
2	OLDX 1002	20	OLDX 5101	52	OLDX 7103	80	OLDX 7152	112	OLDX 81002
3	OLDX 1003	21	OLDX 5102	53	OLDX 7104	81	OLDX 7153		
4	OLDX 1004	22	OLDX 5103	54	OLDX 7105	82	OLDX 7154		
5	OLDX 1005	23	OLDX 5104	55	OLDX 7106	83	OLDX 7155		
6	OLDX 1006	24	OLDX 5105	56	OLDX 7107	84	OLDX 7156		
7	OLDX 1007	25	OLDX 5106	57	OLDX 7108	85	OLDX 7157		
8	OLDX 1008	26	OLDX 5107	58	OLDX 7109	86	OLDX 7158		
9	OLDX 1009	27	OLDX 5108	59	OLDX 7110	87	OLDX 7159		
10	OLDX 1010	28	OLDX 5109	60	OLDX 7111	88	OLDX 7160		
11	OLDX 1011	29	OLDX 5110	61	OLDX 7112	89	OLDX 7161		
12	OLDX 1012	30	OLDX 5111	62	OLDX 7113	90	OLDX 7162		
13	OLDX 1014	31	OLDX 5112	63	OLDX 7114	91	OLDX 7163	1	
14	OLDX 1015	32	OLDX 5113	64	OLDX 7116	92	OLDX 7164		
15	OLDX 1016	33	OLDX 5114	65	OLDX 7117	93	OLDX 7165	T	
16	OLDX 1017	34	OLDX 5115	66	OLDX 7118	94	OLDX 7166	1	
17	OLDX 1018	35	OLDX 5116	67	OLDX 7119	95	OLDX 7167	T	T
18	OLDX 1019	36	OLDX 5117	68	OLDX 7120	96	OLDX 7168	1	
	1	37	OLDX 5118	69	OLDX 7121	97	OLDX 7169	1	
		38	OLDX 5119	70	OLDX 7122	98	OLDX 7170	1	
		39	OLDX 5120	71	OLDX 7123	99	OLDX 7171		
		40	OLDX 5121	72	OLDX 7124	100	OLDX 7173	1	
		41	OLDX 5122	73	OLDX 7125	101	OLDX 7174	1	
		42	OLDX 5123	74	OLDX 7126	102	OLDX 7175	1	
	Ì	43	OLDX 5124	75	OLDX 7127	103	OLDX 7176	1	1
	i.	44	OLDX 5125	76	OLDX 7128	104	OLDX 7177	1	
	2	45	OLDX 5126	77	OLDX 7129	105	OLDX 7178		
	1	46	OLDX 5127	78	OLDX 7130	106	OLDX 7179	1	
	*	47	OLDX 5128			107	OLDX 7180	1	
	1	48	OLDX 5129				OLDX 7181	1	1
	1	49	OLDX 5130	1		109	OLDX 7182	1	1
		50	OLDX 5131	1	<del>                                     </del>	-	OLDX 7183	1	T
	4.	T	T	1		1		1	<del>                                     </del>
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# EXHIBIT A (Page 2 of 2)

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## **LOCOMOTIVES SCHEDULE AS OF MAY 15,20001**

LOCOMOTIVE SW 900, #801 - OLD LINE HOLDING CO., INC.

LOCOMOTIVE SW 800, # 802 - OLD LINE HOLDING CO., INC

LOCOMOTIVE CF 7, 1500 HP, #2628 OLD LINE HOLDING CO., INC.

## OTHER EQUIPMENT AS OF MAY 15, 2001

CABOOSE MDDE 2001 - OLD LINE HOLDING CO., INC.

1977 GRADALL NP 259726 - OLD LINE HOLDING CO., INC.